

AMENDED IN ASSEMBLY AUGUST 26, 2011

AMENDED IN ASSEMBLY JULY 5, 2011

AMENDED IN SENATE MAY 31, 2011

AMENDED IN SENATE APRIL 25, 2011

SENATE BILL

No. 216

Introduced by Senator Yee

(Coauthors: Assembly Members Blumenfield, Ma, and Portantino)

February 9, 2011

~~An act to add Chapter 4.5 (commencing with Section 950) to Part 1 of Division 1 of~~ *An act to add Section 957 to the Public Utilities Code, relating to public utilities.*

LEGISLATIVE COUNSEL'S DIGEST

SB 216, as amended, Yee. Public utilities: intrastate natural gas pipeline safety.

Under existing law, the Public Utilities Commission has regulatory authority over public utilities, including gas corporations, as defined. The Public Utilities Act authorizes the commission to ascertain and fix just and reasonable standards, classifications, regulations, practices, measurements, or services to be furnished, imposed, observed, and followed by specified public utilities, including gas corporations.

Existing federal law requires the United States Department of Transportation Pipeline and Hazardous Materials Safety Administration (PHMSA) to adopt minimum safety standards for pipeline transportation and for pipeline facilities, including an interstate gas pipeline facility and intrastate gas pipeline facility, as defined. Existing law authorizes the United States Secretary of Transportation to prescribe or enforce safety standards and practices for an intrastate pipeline facility or

intrastate pipeline transportation to the extent that the safety standards and practices are regulated by a state authority that annually submits to the secretary a certification for the facilities and transportation or, alternatively, authorizes the secretary to make an agreement with a state authority authorizing it to take necessary action to meet certain pipeline safety requirements. Existing law prohibits a state authority from adopting or continuing in force safety standards for interstate pipeline facilities or interstate pipeline transportation. Existing law authorizes a state authority that has submitted a current certification to adopt additional or more stringent safety standards for intrastate pipeline facilities and intrastate pipeline transportation only if those standards are compatible with the minimum standards prescribed by the PHMSA.

~~This bill would designate the commission as the state authority responsible for regulating and enforcing intrastate gas pipeline transportation and pipeline facilities pursuant to federal law, including the development, submission, and administration of a state pipeline safety program certification for natural gas pipelines. The~~

The bill would require the commission, unless it determines that doing so is preempted under federal law, to require the installation of automatic shut-off or remote controlled sectionalized block valves on certain intrastate transmission lines, as defined, that are located in a high consequence area, as defined, or that traverse an active seismic earthquake fault. The bill would require the owner or operator of a commission-regulated gas pipeline facility, as defined, that is an intrastate transmission line to provide the commission with a valve location plan, along with any recommendations for valve locations, and would authorize the commission to make modifications to the valve location plan.

Under existing law, a violation of the Public Utilities Act or any order, decision, rule, direction, demand, or requirement of the commission is a crime.

Because the provisions of this bill would be a part of the act and because a violation of an order or decision of the commission implementing its requirements would be a crime, the bill would impose a state-mandated local program by creating a new crime.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: yes.

The people of the State of California do enact as follows:

1 ~~SECTION 1. Chapter 4.5 (commencing with Section 950) is~~
2 ~~added to Part 1 of Division 1 of the Public Utilities Code, to read:~~

3
4 ~~CHAPTER 4.5. GAS PIPELINE SAFETY~~

5
6 ~~Article 1. General~~

7
8 ~~950. For purposes of this chapter, the following terms have the~~
9 ~~following meanings:~~

10 ~~(a) “Commission-regulated gas pipeline facility” means an~~
11 ~~intrastate gas pipeline facility as defined in Section 60101 of Title~~
12 ~~49 of the United States Code, that is subject to the safety regulatory~~
13 ~~authority of the commission to the extent authorized in the~~
14 ~~certification submitted by the commission and approved by the~~
15 ~~United States Secretary of Transportation pursuant to Section~~
16 ~~60105 of Title 49 of the United States Code, including each of the~~
17 ~~following pipelines:~~

18 ~~(1) An intrastate distribution line, which is a pipeline that is not~~
19 ~~subject to the jurisdiction of the Federal Energy Regulatory~~
20 ~~Commission pursuant to Section 717(b) of Title 15 of the United~~
21 ~~States Code because it is used for the local distribution of natural~~
22 ~~gas.~~

23 ~~(2) An intrastate transmission line, which is a transmission~~
24 ~~pipeline that the commission, pursuant to Section 717(c) of Title~~
25 ~~15 of the United States Code, has certified to the Federal Energy~~
26 ~~Regulatory Commission as being subject to the regulatory~~
27 ~~jurisdiction of the commission over rates and service. For these~~
28 ~~purposes, a transmission pipeline means a pipeline other than a~~
29 ~~gathering line that: (A) transports gas from a gathering line or~~
30 ~~storage facility to a distribution center, storage facility, or large~~
31 ~~volume customer that is not down stream from a distribution center,~~
32 ~~(B) operates at a hoop stress of 20 percent or more of specified~~
33 ~~maximum yield strength, or (C) transports gas within a storage~~
34 ~~field.~~

~~(3) An intrastate gathering line, which is a pipeline that transports gas from a current production facility to a transmission line or main.~~

~~(4) A mobilehome park master-metered natural gas distribution system that is subject to the commission's safety inspection and enforcement program pursuant to Chapter 4 (commencing with Section 4351) of Division 2.~~

~~(5) A propane distribution system that is subject to the commission's safety inspection and enforcement program pursuant to Chapter 4.1 (commencing with Section 4451) of Division 2.~~

~~(b) "Compatible transmission safety standards" means safety standards that are applicable to an intrastate transmission line that are in addition to, or more stringent than, the minimum safety standards adopted by the United States Department of Transportation pursuant to Chapter 601 (commencing with Section 60101) of Subtitle VIII of Title 49 of the United States Code, and that the commission is authorized to adopt pursuant to subsection (c) of Section 60104 of that chapter.~~

~~(c) "High consequence area" has the same meaning as defined in the regulations adopted by the United States Department of Transportation pursuant to Chapter 601 (commencing with Section 60101) of Subtitle VIII of Title 49 of the United States Code (49 C.F.R. 192.903, as adopted January 1, 2011, or a successor regulation).~~

~~Article 2. Natural Gas Pipeline Safety Act of 2011~~

~~955. (a) This article shall be known and may be cited as the Natural Gas Pipeline Safety Act of 2011.~~

~~(b) The commission is the state authority responsible for regulating and enforcing intrastate gas pipeline transportation and pipeline facilities pursuant to Chapter 601 (commencing with Section 60101) of Subtitle VIII of Title 49 of the United States Code, including the development, submission, and administration of a state pipeline safety program certification pursuant to Section 60105 of that chapter.~~

~~957. (a) (1) Unless the commission determines that it is~~
SECTION 1. Section 957 is added to the Public Utilities Code, immediately following Section 956, to read:

1 957. (a) (1) *Unless the commission determines that it is*
2 *prohibited from doing so by subdivision (c) of Section 60104 of*
3 *Title 49 of the United States Code, the commission shall require*
4 *the installation of automatic shut-off or remote controlled*
5 *sectionalized block valves on both of the following facilities, if it*
6 *determines those valves are necessary for the protection of the*
7 *public:*

8 (A) Intrastate transmission lines that are located in a high
9 consequence area.

10 (B) Intrastate transmission lines that traverse an active seismic
11 earthquake fault.

12 (2) Each owner or operator of a commission-regulated gas
13 pipeline facility that is an intrastate transmission line shall provide
14 the commission with a valve location plan, along with any
15 recommendations for valve locations. The commission may make
16 modifications to the valve location plan or provide for variations
17 from any location requirements adopted by the commission
18 pursuant to this section that it deems necessary or appropriate and
19 consistent with protection of the public.

20 (3) The commission shall additionally establish action timelines,
21 adopt standards for how to prioritize installation of automatic
22 shut-off or remote controlled sectionalized block valves pursuant
23 to paragraph (1), ensure that remote and automatic shut-off valves
24 are installed as quickly as is reasonably possible, and establish
25 ongoing procedures for monitoring progress in achieving the
26 requirements of this section.

27 (b) The commission shall authorize recovery in rates for all
28 reasonably incurred costs incurred for implementation of the
29 requirements of this section.

30 (c) The commission, in consultation with the Pipeline and
31 Hazardous Materials Safety Administration of the United States
32 Department of Transportation, shall adopt and enforce compatible
33 safety standards for commission-regulated gas pipeline facilities
34 that the commission determines should be adopted to implement
35 the requirements of this section.

36 SEC. 2. No reimbursement is required by this act pursuant to
37 Section 6 of Article XIII B of the California Constitution because
38 the only costs that may be incurred by a local agency or school
39 district will be incurred because this act creates a new crime or
40 infraction, eliminates a crime or infraction, or changes the penalty

- 1 for a crime or infraction, within the meaning of Section 17556 of
- 2 the Government Code, or changes the definition of a crime within
- 3 the meaning of Section 6 of Article XIII B of the California
- 4 Constitution.

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